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TO RUEHC/SECSTATE WASHDC PRIORITY 2890
INFO RHMFIUU/HQ BICE WASHINGTON DC PRIORITY
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RHMFIUU/FBI WASHINGTON DC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY

UNCLAS KUALA LUMPUR 000509

SIPDIS

PM/DTCC BLUE LANTERN COORDINATOR

E.O. 12958: N/A TAGS: <u>ETTC</u> <u>KOMC</u> <u>MY</u>

SUBJECT: BLUE LANTERN RESPONSE: FJ GLOBAL SOLUTIONS

MALAYSIA, APPLICATION 050169282

REF: SECSTATE 60501

- 11. Summary and comment: Pursuant to reftel request, Econoff and ECON FSN on June 19 visited the office of F.J. Global Solutions (M) Sdn Bhd to establish the bone fides of the company and determine if reftel proposed blanket license and sales agreement appeared legitimate. A Royal Malaysian Air Force Lt. Col. confirmed that the company was a supplier and that he intended to purchase parts and supplies through them. We believe F.J. Global Solutions is a legitimate Malaysian company and we recommend approval of reftel license/order. End summary and comment.
- 12. Mr. Juhari Harun, Director, and Ms. Faridah Abdullah, Managing Director, showed Econoff and FSN binders full of original purchase orders from the Royal Malaysian Air Force (RMAF) as well as the company's Direct Procurement Agreement with the Ministry of Defense. All past purchase orders from RMAF were on the same textured blue paper with identical embossed letterhead. Since this was a pre-license check for future orders of aircraft airframe and engine parts, there was no specific RMAF purchase order. Rather, the company seeks blanket approval for various upcoming orders. Faridah did provide a copy of a letter of intent to purchase such parts, also on identical RMAF letterhead with an original signature.
- Faridah explained that the company, which had been established in 2002, procured parts and supplies for the Royal Malaysian Air Force, Navy, and Army, as well as the Indonesian Air Force (its only non-Malaysian customer) and for some local commercial companies. The company did not maintain controlled items on site, but they did show Econoff their locked storeroom (approximately 15 x 20 feet) for non-controlled items, in boxes labeled with numbers on shelves. A separate records room contained binders full of purchase orders and other documentation. The clean two-storey office space consisted of two adjoining shop lots with exterior grills and padlocks. On the ground floor were several pieces of equipment which appeared to be for testing. Faridah explained that one of them was for testing auto-pilot systems; the company was applying for a license but was required to have the equipment in place in advance of receiving the license.
- 14. Faridah and Johari told Econoff the company did not act as a broker, it never transferred or re-exported items, and both seemed to have a good understanding of the restrictions. Other principal officers included Mr. Zubir Alias, Quality Assurance Manager, and Mr. Mohamed Faizal, Purchasing Manager.
- 15. On June 24, Lt. Col. Zainal Abdul Manaf, Purchasing

Officer for the RMAF, told ECON FSN that FJ Global had a contract with the Ministry of Defense to supply aircraft parts.  $\ensuremath{\mathsf{RAPSON}}$